

Message Text

UNCLASSIFIED

PAGE 01 STATE 118119
ORIGIN EB-08

INFO OCT-01 AF-10 ARA-14 EA-12 EUR-12 NEA-11 IO-14
PA-02 JUSE-00 NRC-07 FTC-01 SEC-01 CIAE-00
DODE-00 NSAE-00 NSCE-00 SSO-00 ICAE-00 INRE-00
SOE-02 AID-05 CEA-01 COME-00 DOE-15 H-02 INR-10
INT-05 L-03 OMB-01 PM-05 OES-07 SP-02 SS-15
STR-07 TRSE-00 ACDA-12 ISO-00 /185 R

DRAFTED BY EB/IFD/BP:T A SCHLENKER:BT
APPROVED BY EB/IFD/BP:THOMAS A SCHLENKER, ACTING DIRECTOR
EUR/RPE:R LAMANTIA
EUR/CAN:G MONROE
EUR/NE:D GOODMAN
EUR/W:E BEIGEL
EA/ANP:T WAJDA
L/EB:S BENSON
EB/ORF/FSE:W RAMSAY
L/OES:E STEINBERG

-----054339 092214Z /21

O R 092135Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA IMMEDIATE
AMEMBASSY LONDON PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY CANBERRA PRIORITY
AMEMBASSY PRETORIA PRIORITY
INFO AMEMBASSY PARIS
AMEMBASSY BRUSSELS

UNCLAS STATE 118119

PARIS FOR OECD; BRUSSELS FOR EC

E.O. 11652:N/A

TAGS: ETRD, OECD, AS, UK, FR, SF, CA
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 118119

SUBJECT: ANTITRUST: OUTCOME OF FEDERAL GRAND JURY
INVESTIGATION OF URANIUM PRODUCER'S CARTEL

CAPE TOWN FOR EMBASSY

1. FOLLOWING PRESS RELEASE WAS MADE AVAILABLE MAY 9

QUOTE THE DEPARTMENT OF JUSTICE TODAY FILED A MISDEMEANOR INFORMATION AGAINST GULF OIL CORPORATION CHARGING A VIOLATION OF SECTION 1 OF THE SHERMAN ACT ARISING OUT OF GULF'S ALLEGED PARTICIPATION IN AN INTERNATIONAL URANIUM CARTEL BETWEEN 1972 AND 1974.

2. QUOTE ATTORNEY GENERAL GRIFFIN B. BELL SAID THE CHARGE WAS CONTAINED IN A ONE-COUNT CRIMINAL INFORMATION FILED IN U.S. DISTRICT COURT IN PITTSBURGH. IT CONCLUDES AN 18-MONTH INVESTIGATION CONDUCTED BY A FEDERAL GRAND JURY IN THE DISTRICT OF COLUMBIA.

3. QUOTE THE INFORMATION STATES THAT GULF PRODUCES AND SELLS URANIUM IN THE UNITED STATES AND, THROUGH ITS CANADIAN SUBSIDIARY, GULF MINERALS, CANADA, LTD., IN CANADA.

4. QUOTE ASSISTANT ATTORNEY GENERAL JOHN H. SHENEFIELD, IN CHARGE OF THE ANTITRUST DIVISION, SAID THE CRIMINAL INFORMATION CHARGES GULF WITH CONSPIRING WITH OTHER URANIUM PRODUCERS BETWEEN FEBRUARY, 1972, AND DECEMBER, 1974, TO FIX THE PRICES AT WHICH THE COMPANIES SOLD FOREIGN-SOURCE URANIUM TO UNITED STATES MIDDLEMEN, TO SELL TO UNITED STATES MIDDLEMEN ONLY AT DISCRIMINATORILY HIGH PRICES, AND TO REFUSE TO SELL TO WESTINGHOUSE ELECTRIC CORPORATION, A UNITED STATES MIDDLEMAN.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 118119

5. QUOTE MIDDLEMEN ARE COMPANIES -- INCLUDING BROKERS, NUCLEAR REACTOR MANUFACTURERS, AND NUCLEAR FUEL FABRICATORS -- THAT PURCHASE URANIUM FOR RESALE.

6. QUOTE. THE CRIMINAL INFORMATION ALLEGES THAT, BETWEEN 1971 AND 1975, GULF AND OTHER PRODUCERS OF FOREIGN-SOURCE URANIUM WERE MEMBERS OF AN INTERNATIONAL URANIUM CARTEL THAT AGREED TO STABILIZE PRICES FOR FOREIGN-SOURCE URANIUM AND TO ALLOCATE URANIUM SALES AMONG ITS MEMBERSHIP.

7. QUOTE. AGREEMENTS ON THE DISCRIMINATORY TREATMENT OF UNITED STATES MIDDLEMEN, CHARGED AS A SHERMAN ACT VIOLATION IN THE CRIMINAL INFORMATION, ARE ALSO ALLEGED TO HAVE BEEN TERMS OF THE CARTEL ARRANGEMENT.

8. QUOTE DURING THE ALLEGED CONSPIRACY PERIOD, UNITED STATES MIDDLEMEN, INCLUDING WESTINGHOUSE, PURCHASED OR ATTEMPTED TO PURCHASE SUBSTANTIAL QUANTITIES OF FOREIGN-SOURCE URANIUM.

9. QUOTE THIS URANIUM IS GENERALLY IMPORTED INTO THE

UNITED STATES WHERE IT IS SUBJECTED TO A NUMBER OF PROCESSES THAT CHANGE IT INTO A FORM SUITABLE FOR USE AS A NUCLEAR FUEL.

10. QUOTE THE MAXIMUM PENALTY UPON CONVICTION FOR A MISDEMEANOR VIOLATION OF THE SHERMAN ACT BY A CORPORATION IS A \$50,000 FINE. UNQUOTE.

11. TEXT OF THE CHARGE "INFORMATION" IS BEING POUCHED. IN STATES IN PART THAT QUOTE VARIOUS CORPORATIONS, FIRMS, ENTITIES, AND INDIVIDUALS NOT NAMED AS DEFENDANTS IN THIS INFORMATION PARTICIPATED AS CO-CONSPIRATORS WITH THE DEFENDANT IN THE OFFENSE CHARGED HEREIN, AND PERFORMED ACTS AND MADE STATEMENTS IN FURTHERANCE THEREOF. UNQUOTE UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 118119

COMMENT: THESE CO-CONSPIRATORS ARE NOT RPT NOT NAMED. VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ANTITRUST, URANIUM, REPORTS, CARTELS, COURTS, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE118119
Document Source: CORE
Document Unique ID: 00
Drafter: T A SCHLENKER:BT
Enclosure: ALSO FOR USEEC AND USOECD
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780197-0006
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780577/aaaacntq.tel
Line Count: 138
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3605b1a1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2744802
Secure: OPEN
Status: NATIVE
Subject: ANTITRUST: OUTCOME OF FEDERAL GRAND JURY INVESTIGATION OF URANIUM PRODUCER'S CARTEL CAPE TOWN FOR EMBASSY
TAGS: ETRD, AS, UK, FR, SF, CA, OECD
To: OTTAWA LONDON MULTIPLE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/3605b1a1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014